

Our Water & Wastewater Systems – Building a Framework for Life



The City of San Diego's Public Utilities Department is responsible for providing safe drinking water 24 hours a day, 7 days a week, 365 days a year. Providing safe and reliable drinking water requires making sure the water treatment plants function properly, the pipelines and pump stations are in good working order, and emergency repairs are made promptly. To continue to provide safe drinking water to residents and businesses in San Diego and maintain the City's water utility financial strength, water rates must be increased to keep pace with increasing water supply costs. The San Diego City Council approved increasing water rate revenues by 7.25% on January 1, 2014, and 7.5% on January 1, 2015. However, each customer's bill will change depending on their customer class, meter size and amount of water they use (see back for more details). This fact sheet focuses on single-family customers as the new rates include a change in their rate structure. Customers in the multi-family, commercial and industrial classes are encouraged to visit www.sandiego.gov/water for their new rates.



Eighty-five percent of the water used by San Diego residents and businesses comes to the city through a large, complex system of pipelines connecting us to northern California and the Colorado River. Our enviable quality of

life and economy relies on this supply of "imported water." But there is a cost to bringing this precious resource to San Diego from hundreds of miles away – and those costs have doubled since 2008 and are expected to continue to increase in the years to come.

The City's wholesale water supplier, the San Diego County Water Authority, has increased the cost of water it sells to the City every year – but the Public Utilities Department worked hard to absorb rate increases in 2012 and 2013 rather than increase water rates for its customers. Unfortunately the Department cannot continue this practice. The Department took several steps to cut operational costs and become more efficient, allowing the City to forgo the Water Authority's rate increases to its customers for the past two years. The City has invested heavily in its drinking water infrastructure and replaced aging pipelines in the system, but can no longer make these investments and absorb the increased cost of water from our wholesale supplier.

Among other things, absorbing all of the Water Authority's rate increases has reduced the city's debt service coverage ratio to near minimum levels. Debt service coverage is similar to an individual's credit rating. The City, just like any individual or business owner who wishes to borrow money for an important purpose, must show it has the ability to pay back the money that it borrows to construct the projects that keep water flowing from treatment plants to taps.





What is the City doing to keep water rate increases as low as possible?

The City has done a lot in terms of making its operations much more efficient. For example, the number of full-time employees in the Public Utilities Department has been significantly reduced without affecting service quality. Outstanding debt has also been reduced and the City will continue to seek lower interest rate loans. Projected savings from low interest loans is \$148 million.

What can I do to lower my water bill?

You can use water more efficiently, repair leaks and ensure that you have the most efficient plumbing fixtures such as toilets, washing machines, dishwashers and showerheads. To recognize those customers who use water efficiently, the City's water rate structure will be changed from a three-tier structure to a four-tier structure.

Here are the old and new billing tiers:

Old Single Family Residential Rates Per Hundred Cubic Feet (HCF*) Based on Monthly Usage	
Tiers	Cost per hcf
Tier 1 (0 - 7 hcf)	\$3.61/hcf
Tier 2 (8 - 14 hcf)	\$3.92/hcf
Tier 3 (15+ hcf)	\$4.40/hcf

New Approved Single Family Residential Rates Per Hundred Cubic Feet (HCF*) Based on Monthly Usage		
Tiers	Calendar Year 2014	Calendar Year 2015
Tier 1 (0 - 4 hcf)	\$3.64/hcf	\$3.91/hcf
Tier 2 (5 - 12 hcf)	\$4.08/hcf	\$4.38/hcf
Tier 3 (13 - 18 hcf)	\$5.82/hcf	\$6.26/hcf
Tier 4 (19+ hcf)	\$8.19/hcf	\$8.80/hcf

For additional resources please visit: <http://www.sandiego.gov/water/>

*HCF = 748 gallons.

Will my water bill change?

The Public Utilities Department will see an overall revenue increase of 7.25% in 2014. However, each customer's bill will change depending on their customer class, meter size and amount of water they use. Because meter charges are being reduced in 2014 and, for single-family residential customers, a new tier is being created many customers using a small amount of water may see a reduction in their bill.

Meter Size	Meter Charge		
	Old Rates	Calendar Year 2014	Calendar Year 2015
	(\$/monthly)	(\$/monthly)	(\$/monthly)
5/8", 3/4"	19.33	18.89	20.31
1"	28.46	25.59	27.51
1.5"	49.34	40.89	43.96
2"	75.44	60.03	64.53
3"	136.74	104.98	112.86
4"	224.15	169.07	181.75
6"	440.73	327.86	352.44
8"	701.64	519.16	558.10
10"	1,006.94	742.99	798.72
12"	1,875.82	1,380.05	1,483.55
16"	3,267.86	2,400.67	2,580.72

IMPORTANT NOTE: Most single-family residential customers receive a bill every other month so those bills will include two monthly meter charges and two months of water consumption. Therefore, bimonthly bills will have tiers 0-8, 9-24, 25-36 and 37-and-over.